States' Share on excise duty on electricity Generation

2257. SHRI VITHALRAO MADHAVRAO JADHAV:

SHRIMATI SURYAKANTA JAYAWANTRAO PATIL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Seventh Finance Commission recommended that during each year of 1979-80 to 1983-84 the entire net proceeds of the union excise duty on the generation of electricity should be paid out of the consolidated fund of India to each State in an amount equal to the collection in or attributed to that State;

(b) if so, what action Government have taken on that;

(c) what will be the share of Maharashtra according to that; and

(d) whether Government have back the same to the State Governments?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) to (d) The Seventh Finance Commission recommended that during each of the year 1979-80 to 1983-84, the entire net proceeds of the Union Excise Duty on generation of electricity should be paid to each State in an amount equal to the collection in or attributed to that State. To give effect to the above recommendations, the Union Duties of Excise (Electricity) Distribution Act, 1980 was passed. Under this Act, the net proceeds of Union Duties of excise on electricity (other than in Union Territories) were required to be distributed among the States as per the percentage share prescribed in the Act.

In accordance with the Rules framed under the above Act, the net proceeds of the duties have been provisionally distributed among the States subject to final adjustment on the basis of certified figures of the Comptroller and Auditor General of India.

A sum of Rs. 150.01 crores was collected as Central Excise Duty on electricity generated in Maharashtra during the period 1979--84 as per the departmental records. The share of the Government of Maharasthra worked out to Rs. 109.65 crores as per the revised estimates and this amount was paid to the State Government.

Evasion of excise duty by TATA group

2258. SHRI GAYA CHAND BHUYAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken notice of the charges made by ex-Minister of Finance against TATA group that they have evaded several crores of excise duty;

(b) if so, what are the details thereto; and

(c) whether the Ministry have issued notices or filed cases so far against VOLTAS a member of TATA Group in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) The Government are aware of the charges made, as repored in the press, by the ex-Minister of Finance, Shri V. P. Singh, against the Tata Group regarding evasion of central excise duties.

(b) Apart from cases of Voltas (a Company belonging to the TATA group), as mentioned by the ex-Finance Minister, information regarding cases of evasion booked against companies belonging to the group, during the period 1-1-1985 to 31-7-1987, is given in the statement. (*See* below)

(c) Yes, four show cause notices totalling Rs. 8.34 crores have been issued to M/s. VOLTAS for evasion of central excise duty during the above period. Prosecution has also been launched against this company and its executives/directors etc.